

Savings and Investments of European Households in The Context of Their Subjective Assessments of The Financial Situation*

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ABSTRACT

The starting point for many economic analyses of financial well-being is the level of population savings, as well as increasingly the rate of investment by households. Satisfaction with the state of finances is influenced not only by the accumulated financial resources. Analyses of household financial satisfaction have become interdisciplinary research for several decades and include sociological, psychological and economic approaches. Among the uneconomic factors appreciated by many researchers, the predictors are subjective assessments of the financial situation of households. The aim of this article is to demonstrate the spatial diversity of the economic situation of European households with regard to their subjective assessments of the economic situation. An analysis of the relationship between subjective assessments of household finances and objective measures (savings and investment rates) indicates a correlation between the level of savings rate of the countries analyzed and *Savings over the next 12 months* and *statement on the financial situation of household*. The level of the investment rate shows the strongest correlation with the general economic situation over the last *12 months*.

keywords: households, savings rate, investments, subjective assessments, financial situation, households